



E. James Haglund, former president of K mart Sporting Goods, is now president of K mart Enterprises, Inc., a subsidiary formed in November of 1968.



C. E. Boyd, vice president, merchandising, Sales to a conversation of Donald E. Hodgson, general manager and executive vice president, automotive division.

This Is K mart Enterprises, Inc.

Kresge's Sporting Goods And Automotive Subsidiary

K mart Enterprises, Inc. was formed in November of 1968 out of K mart Sporting Goods and an added automotive department. Although the corporation, a subsidiary of the Kresge Company, is less than five months old, President E. James Haglund is talking about expansion.

Plans are being made for construction of more office space. In late 1969 an additional 44,000 sq. ft. of warehouse space will be available when a lease from an outside firm expires.

Ernest T. Adamson is the general manager and executive vice president of the sporting goods department. This department demands most of the office space and warehouse for its operation.

Part of the need for expansion is due to the automotive division, still in its infancy. F & G has been the licensed operator of the majority of K mart automotive departments since their inception and will continue to operate its present units. In February K mart Enterprises, Inc. will begin operation of all new K mart auto departments. The first two to open are in City of Industry, Calif., and Rialto, Calif.

Donald E. Hodgson, general manager and executive vice president of the automotive division, considers being part of a Kresge "first" exciting. "... a new experience for everyone". Mr. Hodgson was recently promoted from the post of senior buyer of ready-to-wear for the parent company.

Although the division is but a few months old, Mr. Hodgson said all merchandise assortments and selections are complete. National brand lines are expected to stimulate sales activity in this department. Merchandise storage is not a problem since only reference samples are stored in the Enterprises' warehouse. Merchandise is shipped directly from the manufacturers' warehouses to K marts as they are opened.

Mr. Hodgson briefly discussed new ideas being integrated into the operation of the automotive division. One is to train automotive department managers to they become merchants and can reorder stock weekly or bi-weekly to improve stock turns and profits.

Mr. Hodgson's division is also developing an improved auto sound center featuring tapes and tape players. Such centers are becoming prime requisites in all major automotive departments. Mr. Hodgson believes this line, where properly promoted, can and will afford sizable increases in volume and profits.

Although it is too early to make any major predictions about this division, Mr. Hodgson is enthusiastically tending to K mart Enterprises' first two automotive units in California and is looking forward to all future auto units.

Three of Mr. Hodgson's right-hand-men are C. E. Boyd, vice president, merchandising, who is ably assisted by Lorin Volmer, and Dore Montes, operations manager in charge of accessories and service departments at the store level and employment of mechanics for service departments.

Two years ago K mart Sporting Goods and its 130 employees moved from a small, sparsely equipped office on Main Street, Royal Oak, Mich., to a spacious 133,000 sq. ft. building in the industrial area of Royal Oak. Now, as K mart Enterprises, Inc. with 180 employees, newer, bigger and better machines and equipment are an essential part of the growing business.

In a 60,000 sq. ft. store room where stock was once moved in shopping carts, there are now conveyors, fork lift trucks, flat trucks, three Toledo scales and steel carts designed and made especially for K mart Sporting Goods.

The printing department has been revolutionized in two years, also. In the old days of 1966, the print shop was a man's domain. A few employees ground out all printed material on a single ditto machine. Supplies were stored in a lone metal cabinet. Today, producing printed matter is easier and less time consuming with the use of modern printing presses and a collator. In addition, a dark room was built about a year ago. There is plenty of room for supplies throughout the print shop. And for the first time a female, Jane Pinkston, has been hired as offset machine operator.

The accelerated pace of business growth makes it necessary for the data processing department to employ a new method of computing about once every 11 months. The computer record system at K mart Enterprises, Inc. has recently changed from small cards to disc packs, eliminating rows of file cabinets used for card storage. The disc pack system will probably be replaced with another method after the expansion of the automotive division.

Modern technology did not spare even the filing and invoice department. Since invoices and other accounting forms must be filed for four years, a problem was created by the presence of space-consuming file cabinets. Today accounting records are photographed on microfilm and stored in a fraction of the space once used by file cabinets. Prints can be made off the microfilm easily and quickly.

A neighborly atmosphere prevails throughout K mart Enterprises, Inc. There is an air of "buy-new" and efficiency. Yet amid the hustle of the work-day, employees in the tidy offices are just as eager to render a hearty welcome to visitors as they are to lend a helping hand to each other.

This is K mart Enterprises, Inc.



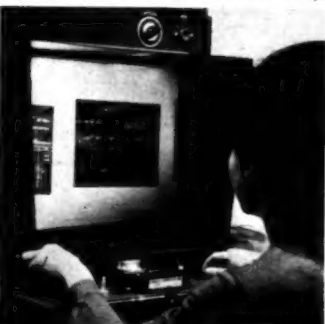
All sporting goods and reference samples of the automotive division are stored in this warehouse. The warehouse is part of K mart Enterprises, Inc. main office in Royal Oak, Mich.



Approximately every 11 months K mart Enterprises, Inc. employs a new method of computing. Here Bob Sturdivant (left) and John Schick inspect a disc pack, part of the corporation's newest data processing method.



Ernest T. Adamson is the general manager and executive vice president of sporting goods department.



Invoices and accounting records are photographed on microfilm to save space at K mart Enterprises, Inc.



Employees weigh merchandise on Toledo scales. These scales are only part of modern equipment in warehouses.